

2003-05 Postsecondary Education Budget Recommendations



December 17, 2002



As Appropriated

	<u>FY01</u>	<u>%</u>	<u>FY02</u>	<u>%</u>	<u>FY03</u>
Univ. Oper.	\$1,055	3.5	\$1,092	2.4	\$1,118
Technology	\$41	-29.2	\$29	0.0	\$29
SSACI	\$128	8.9	\$139	6.2	\$148
Line Items	\$60	2.3	\$61	0.2	\$61
R&R	\$44	-25.0	\$33	0.0	\$33
Debt Service	<u>\$107</u>	11.2	<u>\$119</u>	-4.4	<u>\$113</u>
Total	\$1,433	2.7	\$1,473	2.0	\$1,502



DMP Adjusted % Change from FY01

	<u>FY01</u>	<u>%</u>	<u>FY02</u>	<u>%</u>	<u>FY03</u>
Univ. Oper.	\$1,055	-5.0	\$1,001	2.7	\$1,083
Technology	\$41	-100.0	\$0	-29.2	\$29
SSACI	\$128	8.9	\$139	13.2	\$145
Line Items	\$60	-4.6	\$56	-4.6	\$57
R&R	\$44	-90.8	\$4	-100.0	\$0
Debt Service	<u>\$107</u>	11.2	<u>\$119</u>	6.3	<u>\$113</u>
Total	\$1,433	-7.8	\$1,319	-0.4	\$1,427



Annual Reductions from Appropriated Amounts

FY02 \$153.6 million (includes payment delay*)

FY03 \$74.5 million

Biennial Reduction

\$228.1 million

**Payment delay approximately \$95.4 million*



Bottom Line

- Total University Operating Appropriations
 - Increases of 3.7% and 2.6%
- Total Postsecondary Operating Appropriations
 - Increases of 3.60% and 3.56%
- Capital Recommendations Totaling \$120.2 M
- Off-Budget Economic Development Recommendations Totaling \$30.0 M



CHE Recommendation Context

2003-05	3.6%	3.6%
2001-03	8.4%	6.2%
1999-01	8.6%	7.2%
1997-99	9.7%	6.7%



Increases Over DMP Adjusted Base

	<u>FY03</u>	<u>%</u>	<u>FY04</u>	<u>%</u>	<u>FY05</u>
Univ. Oper. (w/ tech)	\$1,112	3.7	\$1,153	2.6	\$1,183
SSACI	\$148	7.6	\$159	12.9	\$180
Line Items	\$57	-2.0	56	4.0	58
Debt Service	<u>\$113</u>	0.6	<u>\$114</u>	-0.1	<u>\$114</u>
Total	\$1,430	3.6	\$1,482	3.6	\$1,535
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R&R New \$ Only	\$0		\$18.5		\$18.5



University Operating Appropriations

- Salaries and Benefits
- Supplies and Expenses
- Student Aid
- Offsetting Tuition and Fee Increases
- Enrollment Change
- Plant Expansion
- Research Support
- Other Adjustments



Maintenance Increases

- Salaries and Benefits
- Supplies and Expenses
- Student Aid
- Offsetting Tuition and Fee Increases

Assume 0% maintenance increases

Assume 0% tuition and fee increases



Enrollment Change

- Based on change in 4-year rolling averages
- Dollar amount = \$3,300 (continuation of current biennium's figure)
- Account for current year growth, but hold 2003-04 projections flat
- 75% of first year calculations, 100% of second year



Enrollment Change Recommendations

	<u>Request</u>	<u>FY04</u>	<u>FY05</u>
Total IU	\$7.0 M	\$4.2 M	\$5.7 M
Total PU	\$4.2 M	\$2.5 M	\$3.4 M
ISU	\$.5 M	\$.4 M	\$.5 M
USI	\$1.6 M	\$1.0 M	\$1.3 M
BSU	\$3.2 M	\$1.9 M	\$2.5 M
VU	\$3.4 M	\$2.4 M	\$3.2 M
ITSC	<u>\$24.9 M</u>	<u>\$17.0 M</u>	<u>\$22.7 M</u>
Total All	\$44.8 M	\$29.4 M	\$39.2 M



Plant Expansion

- In 99-01 recommendations, CHE used \$6.60 per ASF
- In 01-03 recommendations, CHE used \$7.10 per ASF
- 01-03 appropriations made at \$4.97 per ASF
- New Method:
 - Nonresearch facilities receive statewide average personal services and general S&E per GSF + actual campus utilities per GSF
 - Research facilities calculated in same manner, but using statewide research facility average for personal services and general S&E + actual campus research facility utility costs per GSF



Plant Expansion

Requested:

\$6.7 million FY04

\$17.8 million FY05

Recommended:

\$2.4 million FY04

\$7.6 million FY05

Projects awaiting Budget Committee review are not included but could be added later.



Research Support Adjustment

- Recognizes research roles of research and doctoral institutions
- Recognizes that universities must spend a sizeable amount of their own general funds to win grants and support research
- Available to all research and doctoral institutions
- Recommended at 50% of FY04 calculated amount and an additional 100% of FY05 calculated amount



Research Support Adjustment

	<u>FY04</u>	<u>FY05</u>
IUB Adjustment	\$1,281,606	\$4,101,102
IUPUI H Adjust.	\$1,278,205	\$4,090,358
IUPUI GA Adjust.	\$246,439	\$788,506
PUWL Adjustment	\$2,483,341	\$7,946,691
BSU Adjustment	\$878,307	\$1,427,248
Total Adjustment	\$6,167,898	\$18,353,905



Debt Service

	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Existing	\$113.4	\$114.1	\$110.2
Unallocated			<u>\$3.8</u>
Total	\$113.4	\$114.1	\$114.0



Student Assistance

- Public maximum HEG at \$4,700
- Independent maximum HEG at \$8,000
- Maintain adequate HEG program reserves
- Fund 21st Century Scholars at an amount adequate to cover remaining need given HEG caps
- Fund CVO at adequate level
- Replace expiring federal GEAR UP grant in 21st Century Scholars administration account



SSACI Recommendations

HEA	\$81.3 M	\$83.9 M	\$94.8 M
FOC	\$30.4 M	\$31.0 M	\$32.5 M
21 st C Awards	\$9.7 M	\$16.0 M	\$18.4 M
21 st C Admin	\$2.6 M	\$2.6 M	\$5.1 M
CVO	\$12.9 M	\$13.9 M	\$16.7 M
Nat'l Guard	\$1.8 M	\$2.7 M	\$3.0 M

Other SSACI programs held at FY03 levels

SSACI Totals	\$147.9 M	\$159.2 M	\$179.6 M
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Other Higher Ed Line Items

- Restore line items to FY03 appropriation levels in two steps (restore one-half of cut in FY04 and the full amount of cut in FY05)
- New line item for University of Southern Indiana/
University of Evansville 2+2 Engineering
Program



Capital Context

CHE Capital Project Recommendations:

1997-99	\$174.5 M
1999-01	\$187.6 M
2001-03	\$203.9 M
2003-05	\$120.2 M



Capital Recommendations

IU Research Facility	\$32.0 M
PUWL Millennium Engineering	\$24.0 M
ISU University Hall Renovation and Business A&E	\$2.2 M
USI Library Construction	\$25.0 M
BSU Communications Building A&E	\$1.5 M
ITSC Richmond Building Addition Ph. II	\$8.8 M
ITSC Indy/Lawrence Roosevelt Building Acquisition	\$10.0 M
ITSC Valparaiso New Campus Ph. I	\$15.8 M
ITSC Madison A&E	<u>\$.8 M</u>
Total	\$120.2 M



R&R

Use unexpired 2001-03 R&R appropriations plus additional \$18.5 million to reach formula amount.

	<u>FY04</u>	<u>FY05</u>
Unused/Unexpired	\$28.7 M	\$32.7 M
New appropriation	<u>\$18.5 M</u>	<u>\$18.5 M</u>
	\$47.2 M	\$51.2 M
	(\$4.0 M FY02 expended)	



Economic Development Package

	<u>FY04</u>	<u>FY05</u>
IUB Informatics	\$2.5 M	\$3.6 M
IUPUI Informatics	\$2.5 M	\$3.7 M
PUWL Biomedical Engineering	\$2.5 M	\$5.0 M
IPFW NE IN Innovation Center	\$.5 M	\$1.0 M
ISU Expanding IT Expertise	\$.5 M	\$1.0 M
USI Engineering Eqpt and Prog.	\$.3 M	\$.6 M
BSU Entrep. and Community Planning	\$.8 M	\$1.7 M
VU Digital Communications/IT	\$.5 M	\$1.1 M
ITSC Statewide A.S. in Nursing	\$.8 M	\$1.5 M